NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY

REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises

## PAID UP OIL AND GAS LEASE (No Surface Use)

| THIS LEASE AGREEMENT is made this day of   | , 2009, by and between   |
|--|--|
| house Barnes a single warman   | ds.  |
| UGAG HILL A FELLINAL TON   | 76 119   |
| and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed   | portions of this lease were prepared by the party  |
| hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Le   | essor and Lessee.  |
| <ol> <li>In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, lead<br/>described land, hereinafter called leased premises:</li> </ol>   | ises and lets exclusively to Lessee the following  |
| ·  |  |
| ACRES OF LAND, MORE OR LESS, BEING LOT(S)  | BLOCK 3  |
| OUT OF THE Ealer Heights ADDIT   | , BLOCK <u>3</u><br>TON, AN ADDITION TO THE CITY OF  |
| OUT OF THE Echo Heights ADDIT  | O THAT CERTAIN PLAT RECORDED   |
| IN VOLUME 388-16 , PAGE 245 OF THE PLAT RECORDS OF   | TARRANT COUNTY, TEXAS.   |
|  |  |
| in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interest   | ets therein which I esser may hereafter acquire by   |
| reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, a  | along with all hydrocarbon and non hydrocarbon   |
| substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used he   | erein includes hellum, carbon dioxide and other  |
| commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also colland now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in  | consideration of the aforementioned cash bonus   |
| Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate de   | escription of the land so covered. For the purpose   |
| of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed co   | rrect, whether actually more or less.  |
| 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of  | ( 5 )years from the date hereof, and for   |
| as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premi  |  |
| otherwise maintained in effect pursuant to the provisions hereof.  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as   | follows: (a) For all and other liquid hydrogethers   |
| separated at Lessee's separator facilities, the royalty shall be   | production, to be delivered at Lessee's option to  |
| separated at Lessee's separator facilities, the royalty shall be 762777 (242) of such Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the   | ne continuing right to purchase such production at   |
| the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other si   | then in the nearest field in which there is such a lubstances covered hereby, the royalty shall be           |
|  | ortionate part of ad valorem taxes and production,   |
| severafice, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such ga<br>have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar q  | is or other substances, provided that Lessee shall   |
| then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable   | purchase contracts entered into on the same or   |
| nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primar  | y term or any time thereafter one or more wells on   |
| the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereb<br>hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, s  | y in paying quantities or such wells are waiting on<br>uch well or wells shall nevertheless be deemed to     |
| be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well  | or wells are shut-in or production there from is not   |
| being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such paymen   | t to be made to Lessor or to Lessor's credit in the  |
| depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained  | d by operations, or if production is being sold by   |
| Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the  | end of the 90-day period next following cessation  |
| of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due.  4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor</u> .  | ie, but shall not operate to terminate unis lease. 's address above or its successors, which shall           |
| be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or ter   | nders may be made in currency, or by check or by   |
| draft and such payments or tenders to Lessor or to the denository by deposit in the US Mails in a stamped envelope addre   | ssed to the depository or to the Lessor at the last  |
| address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another in payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another inst   | itution as depository agent to receive payments.   |
| 5. Except as provided for in Personah 3, above, if Lessee drills a well which is incapable of producing in DAVIDG QUA  | ntities (hereinatter called "dry fiole") on the leased   |
| premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from a pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is  | ny cause, including a revision of unit boundaries<br>not otherwise being maintained in force it shall        |
| nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional Well  | i or tot otherwise obtaining of restoring production   |
| un the leased premises or lands gooled therewith within 90 days after completion of operations on such dry hole of William   | o days after such cessation of all production. If at   |
| the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any or   | ue or mote of shou oberghous are hinsecrited with  |
| no cossistion of more than 90 consecutive days, and if any such precations result in the production of oil of 935 of OMER;   | substances covered neight, as into dieteatier as   |
| there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well car<br>Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator w  | capie of producing in paying quantities necentices,  |
| to (a) develop the leased promises as to formations then canable of producing in paying quantities on the leased DEUDS   | es of lands booled dieleman, or (b) to protect the   |
| leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There so   | all be no covenant to drill exploratory wells or any   |
| additional wells except as expressly provided herein.  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein.   | with any other lands or interests, as to any or all  |
| deaths as seen and he to see as all substances revered by this longs, either hefore or offer the commencement of big   | QUELIDIT, WITELIEVEL LESSES GOGILIS IL NECESORI Y CI   |
| proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling actually exists   | acreage tolerance of 10%, and for a gas well or a  |
|  |  |
|  |  |
| of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropria prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means  |  |
|  |  |
| equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion.   | letion interval in the reservoir exceeds the vertical  |
|  |  |
|  |  |
| reworking operations on the leased premises, except that the production on which Lesson's toyalty is calculated with the re-   | xtent such proportion of unit production is sold by  |
|  |  |
| unit formed hereunder by expansion or contraction or both, either perore or after commencement of producting accounts determine the contraction of producting accounts determined to the contraction of the contr | nination made by such governmental authority. In   |
| prescribed or permitted by the governmental authority having jurisdiction, or to contorm to any productive accessed extensions making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective making such a revision, Lessee shall file of record a written declaration describing the recording of unit production on which  | e date of revision. To the extent any portion of the   |
| making such a revision, Lessee shall file of record a written declaration describing the revision that revision, lessee shall file of record a written declaration describing the revision, the proportion of unit production on whi leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on whi be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereo  | of, Lessee may terminate the unit by filing of record  |
| be adjusted accordingly. In the absence of production in paying quantities from a unit, of upon permitted a cross-of-  | noveyance of interests.  |
| a written declaration describing the unit and stating the date of termination. Pooling nereunder shall not constitute a close of the leased premises, the royalties and shut-in royalties and shut-in royalties are stated in all or any part of the leased premises, the royalties and shut-in royalties that the properties that the | oyalities payable nereunder for any well on any part<br>eleased premises bears to the full mineral estate in |
| <ol><li>If Lessor owns less than the full mineral estate in all or any part of the leased premises, the toyaltes and analytic<br/>of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the</li></ol>   | ionean biolinean nome in the last the last   |

6. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties, hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest, shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferce in proportion to the net acreage interest in this lease then held by each.

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lesser or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any (as, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises desorched in Paragraph i above, notwithstanding any partial releases or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or other lands used by Lessees hereunder, without Lessor's consent, and Lessee shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its futures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time therefore.

11. Lessee's obliga

time after said judicial determination to temedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or llens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lesson has or may negotiate with any other lessors/foll and ass owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

| LESSOR (WHETHER ONE OR MORE)  |  |
|---|--|
| Louisl Barres  By: Louise Barnes  |  |
| By: Locise Baines a single women  | By:  |
| STATE OF TEXAS  | ACKNOWLEDGMENT   |
| STATE OF TEXAS  COUNTY OF TATEAN +  This instrument was acknowledged before me on the 18  by: hours barnes a single worden. |  |
| JASON SCOTT  Notary Public  STATE OF TEXAS  My Comm. Exp. Apr. 17, 2012   | Notery Public, State of Texas Sect 1 Notery's name (printed): Tasket Sect 1 Notery's commission expires: |
| STATE OF COUNTY OF This instrument was acknowledged before me on the  | day of, 2009,  |

Notary Public, State of Notary's name (printed):



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

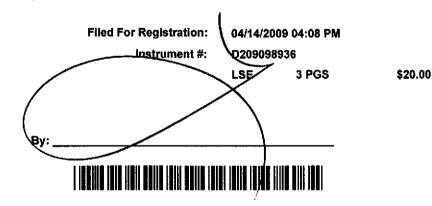
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209098936

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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